

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	No. G04-77
)	
The Financial Examination of)	FINDINGS, CONCLUSIONS,
CATHOLIC FOUNDATION OF THE)	AND ORDER ADOPTING REPORT
SPOKANE ARCHDIOCESE)	OF
)	FINANCIAL EXAMINATION
A Domestic Charitable Gift Annuity Issuer. _____		

BACKGROUND

An examination of the financial condition of **CATHOLIC FOUNDATION OF THE SPOKANE ARCHDIOCESE** (the Foundation) as of December 31, 2002, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). The Foundation holds a Washington certificate of exemption to issue charitable gift annuities. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings and instructions was transmitted to the FOUNDATION for its comments on September 8, 2004. As of this date, the Foundation has not responded.

The Commissioner or a designee has considered the report, the relevant portions of the examiners work papers, and submissions by the Foundation.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 8 of the report.

CATHOLIC FOUNDATION OF THE SPOKANE ARCHDIOCESE
Order Adopting Examination Report

November 15, 2004

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **CATHOLIC FOUNDATION OF THE SPOKANE ARCHDIOCESE** and to order the Foundation to take the actions described in the Instructions section of the report. The Commissioner acknowledges that the Foundation may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

ORDER

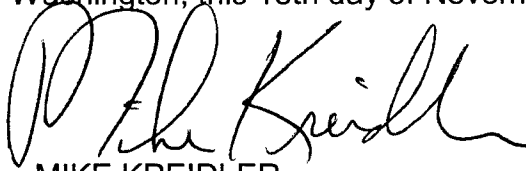
The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Foundation is ordered as follows, these being the Instructions contained in the examination report on pages 1-3.

1. The Foundation is ordered to report the statutory reserve amount on its financial statements pursuant to RCW 48.38.010(10)(a) and RCW 48.38.020(1) and (3). Instruction 1, Examination Report, page 2.
2. The Foundation is ordered to develop a system for accounting, investing, and reporting of the assets of its separate reserve fund pursuant to RCW 48.38.010(10)(a) and RCW 48.38.020(2)(a). Instruction 2, Examination Report, page 2.
3. Pursuant to Chapter 48.38 RCW, the Foundation is ordered to develop a system for accounting and reporting of its charitable gift annuity business to ensure its compliance with the principles or practices prescribed or permitted by the Washington State Office of the Insurance Commissioner. This system should include procedures for appropriate review, by staff other than the report preparer, to assure the completeness and accuracy of the Annual Report. Instruction 3, Examination Report, page 3.

IT IS FURTHER ORDERED THAT, the Foundation file with the Chief Examiner, within 90 days of the date of this order, a detailed report specifying how the Foundation has addressed each of the requirements of this order.

ENTERED at Tumwater, Washington, this 15th day of November, 2004.

A handwritten signature in black ink, appearing to read "Mike Kreidler". The signature is fluid and cursive, with the first name "Mike" written in a larger, more prominent script than the last name "Kreidler".

MIKE KREIDLER
Insurance Commissioner